**COURT FILE NUMBER** 

Q.B. No. 733 of 2021

COURT OF QUEEN'S BENCH FOR SASKATCHEWAN IN BANKRUPTCY AND INSOLVENCY

JUDICIAL CENTRE OF

**SASKATOON** 

**APPLICANT** 

ABBEY RESOURCES CORP.

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, RSC 1985, c C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF ABBEY RESOURCES CORP.

# AFFIDAVIT OF DEBRA LYNN KERR

I, Debra Lynn Kerr, of White Bear, Saskatchewan, farmer, MAKE OATH AND SAY THAT:

- 1. My husband Darrel Robert Kerr and I are the registered owners of the NW 6-23-16 W3rd and SW 6-23-16 W3rd. We entered into two Saskatchewan Surface Leases with Husky Oil Operations Limited ("Husky") on February 23, 2004 (the "2004 Kerr Lease") and September 12, 2006 (the "2006 Kerr Lease"). The 2004 Kerr Lease and the 2006 Kerr Lease will collectively be referred to as the "Kerr Leases" and are attached and marked as Exhibits "A" and "B" respectively. The Kerr Leases are each, one of the many surface leases affected by the within proceedings. I have personal knowledge of matters relating to the Kerr Leases and our attempt to arrange for legal counsel to represent us and other like minded surface lease holders. To the extent that my knowledge of matters is on information and belief I will so state and believe same to be true.
- 2. The Kerr Leases were both assigned by Husky to Abbey Resources Corp. ('Abbey Resources') in 2016. We received payment of rent from both Husky and Abbey Resources in accordance with the Kerr Leases until the fall of 2018.
- 3. We did not accept the rent reduction amendment to the Kerr Leases dated April 20, 2018 which was offered Abbey Resources and attached and marked as Exhibit "C" (the "RR

Agreement"). We did not respond to the letter from Abbey Resources which we received in September of 2018. This letter is attached and marked as Exhibit "D". We did deposit the cheque for \$1,000.00 which was attached to this letter and applied it to the rent owing on the 2006 Kerr Lease. We have not received any further monies from Abbey Resources since that time save for the cheque for \$438.36 paid to us as *per diem* rent for the 2006 Kerr Lease from September 11, 2021 to November 30, 2021.

4. As at August 13, 2021, I calculated the amount owing by Abbey Resources to us in respect of the Kerr Leases to be as follows:

Full payment received to the end of 2017

	<b>Paid</b>	<b>Owing</b>
2018	2,250.00	0.00
	1,000.00	1,000.00
2019	0.00	2,250.00
	0.00	2,000.00
2020	0.00	2,250.00
	0.00	2,000.00
2021	0.00	_2,250.00
<b>Balance Owing</b>		11,750.00

We subsequently received an amount of \$438.36 referred to in Paragraph 3 rather than the \$2000.00 due on the 2006 Kerr Lease.

- 5. Abbey Resources has reported the amount owed to us at \$5,375.00. That is the amount reported in these proceedings in the Creditor Listing Report. This amount is less than half of the amount owing to Darrel and I pursuant to the Kerr Leases.
- 6. Following the last Court hearing in this matter on October 7, 2021, discussions were held among a number of leaseholder parties spearheaded by Kelly Bradford of Lancer,

Saskatchewan. As a result of these discussions, an *ad hoc* committee (the "Gas Wells 228 Committee") was struck for the purpose of arranging for leaseholders to have legal representation in these proceedings.

- 7. The Gas Wells 228 Committee is composed of the following persons each of whom have leases with Abbey Resources:
  - a. Grant Wallace;
  - b. Brock Minogue; and
  - c. Lynn Kerr;

representing lease holders on the north side of the South Saskatchewan River; and

- d. Kelly Bradford;
- e. Lindsay Nobbs; and
- f. Garry Wagner;

representing lease holders on the south side of the South Saskatchewan River.

- I undertook responsibility for communication to the leaseholders. To further this objective, I arranged for the creation of the email address known as: <a href="mailto:gaswells228@gmail.com">gaswells228@gmail.com</a>.

  Obtaining information with respect to addresses for leaseholders proved to be rather difficult. We did not have the information that was available to the Monitor. My first email was sent to Yvonne Nelson at the R.M. of Lacadena. Yvonne sent my email to the ratepayers of the R.M. of Lacadena by email using the list of emails retained by the R.M. of Lacadena. A copy of the text of that email (the "RM Email") is attached and marked as Exhibit "E".
- 9. Prior to and including November 1, 2021, I sent two subsequent emails to those parties that had responded to the R.M. Email. A copy of the text of these two emails are attached and marked as Exhibit "F" and Exhibit "G".

- It appears that the Monitor had a mailing list in addition to the email list as the Monitor sent out communication to 487 parties. I then sent a request for response to the parties on the Monitor email list on November 1, 2021. A copy of the text of this email is attached and marked as Exhibit "H". Including all emails, a request for response was sent to in excess of 280 parties.
- 11. As responses to my correspondence were received, I then sent a request for information, explanation of the intended position to be taken at the November 24<sup>th</sup> hearing and the request to contribute to a fund to facilitate payment to counsel. A copy of the text of this email is attached and marked as Exhibit "I". An email requesting information was sent to 188 parties that had provided a response to my email correspondence.
- 12. As a result of the emails referred to and attached as Exhibit "F" and Exhibit "I" respectively, I received seven replies requesting that those seven parties did not wish to be represented by the Gas Wells 228 Committee and I accordingly removed those parties from the spreadsheet which I had been using to communicate with leaseholders and record the information received from the leaseholders.
- 13. As of November 22, I have received 149 responses from lease holders representing 816 wells (the "Gas Wells 228 Leaseholders"). These leaseholders have provided the requested information and support obtaining counsel to oppose extension of the CCAA proceedings beyond November 30, 2021. The Gas Wells 228 Committee recognizes that not all lease holders are aligned with our position and we respect the views of those leaseholders that are not aligned with our position.
- 14. The following is a summary of the information provided by the Gas Wells 228 Leaseholders:
  - a. 51 parties signed a form of the RR Agreement and most received the 50% payment

due on leases between May 1, 2018 and December 31, 2018 in accordance with the RR Agreement. For the most part, no further payments were made after December 31, 2018;

- b. Most parties who did not sign the RR Agreement received the 50% payment in accordance with the letter attached as Exhibit "D";
- c. \$71,090.38 has been received in *per diem* cheques. The actual amount owing is \$440,012.93;
- d. The amount owing to Gas Well 228 Leaseholders is \$4,497,053.56 and the amount reported in the Creditor List is \$2,434,775.48.
- 15. The following is a summary list of comments and concerns received from the Gas Wells 228 Leaseholders:
  - a. Unpaid lease payments on both original contracts and on signed amendments;
  - b. Well sites and site accesses have not been maintained lack of weed control on some sites, soil sterilant used on others, heaved and sunken areas not filled in, fences and enclosures around sites not maintained;
  - c. Lack of respect for land owners there are reports of employees and contractors not staying on the access roads or lease sites causing crop damage and soil erosion in fields, as well as creating new trails in pasture land;
  - d. Line breaks have not been dealt with promptly or properly in some cases, the land owner has not been asked for access to leased land and has not been paid for damages. Often wells have been shut off, but not decommissioned and non-

productive soil surrounding leaks has not been replaced;

- e. Several leaseholders have received a letter from Abbey Resources stating that a lease has been abandoned, but nothing has been done to decommission the site;
- f. Many leaseholders expressed concerns about environmental risks and risks to livestock, wild life, and people regarding the integrity of the pipelines and the decommissioning of the lease sites if this is not done properly;
- g. Devaluation of land because of leases.
- h. Abbey Resources has sent letters and emails to landowners trying to get them to pressure the RM's to reduce Abbey Resources property tax burden;
- i. The amount owed to leaseholders has been understated on the Creditor List;
- Unfair dealings with leaseholders not all leaseholders have been offered the same reduced size agreement;
- k. Unfair treatment of signed and unsigned leaseholders while Abbey Resources is under CCAA protection signed leaseholders are being paid the agreed amount while unsigned leaseholders are being paid per diem amounts. This has created a two-tiered system that is being used to get leaseholders to sign the smaller size lease agreement; and
- 1. Failure of Abbey Resources Corp to deal fairly and ethically with leaseholders agreements not honoured and promises not kept.
- 16. From the responses provided to me by the Gas Wells 228 Leaseholders, it is clear that they

do not feel there is any advantage to having the extension granted to Abbey Resources. The company has failed to honour past agreements, including the rate reduction agreement that was offered in 2018 as the company's way of restructuring its debt.

17. I make this Affidavit in opposition to the application for extension of the Initial Order made in these proceedings.

SWORN BEFORE ME at the City of	)		
Saskatoon, in the Province of	·	)	
Saskatchewan, this 23 oday of	)		
November, 2021.	)	- Keler	
	)	DEBRA LYNN KERR	
125	)		
A Commissioner for Oaths/Notary Public	and the same		
for the Province of Saskatchewan.			
— My Commission/Appointment Expires:		•	
Being A Si	5/1	enter	
(Notarial Seal)			

# CONTACT INFORMATION AND ADDRESS FOR SERVICE

This document was prepared and delivered by:

Leland Kimpinski LLP Lawyer in charge of file: Wayne L. Pederson 336 6<sup>th</sup> Avenue North Saskatoon, SK S7K 2S5

Telephone: (306) 653-6427 Facsimile: (306) 653-7008

E-mail: wpederson@lelandlaw.ca

The Plaintiff's address for service is as above.

This page and the annexed 8 pages form **Exhibit "A"** to the Affidavit of Debra Lynn Kerr sworn before me this 23<sup>rd</sup> day of November, 2021. A Commissioner for Oaths for Saskatchewan Being a Solicitor

# SASKATCHEWAN SURFACE LEASE

Husky Oil Operations Limited File 66139

THIS LEAS	SE MADE THIS 33 DAY OF February, 2004.
BETWEEN	:  DARREL ROBERT KERR AND DEBRA LYNN KERR  of Kyle, in the Province of Saskatchewan,
	(hereinafter called the "Lessor") - and -
	HUSKY OIL OPERATIONS LIMITED, a body corporate having its head office in the City of Calgary, in the Province of Alberta
	(hereinafter called the "Lessee")
	WHEREAS the Lessor is the registered owner (or is entitled to become registered as owner under an agreement for sale or transfer or otherwise) of an estate in fee simple, subject however to the exceptions, conditions, encumbrances and interests contained in the trificate of Title, of and in that certain parcel of land situated, lying and being in the Province of Saskatchewan and described as follows:
IN TOWNS RANGE SE WEST OF TO (SURFACE EXCEPTING)	TH WEST QUARTER OF SECTION SIX (6), SHIP TWENTY-THREE (23), XTEEN (16), ITHE THIRD MERIDIAN, SASKATCHEWAN PARCEL NO. 103173218) IG THEREOUT ALL MINES AND MINERALS. IBED IN CERTIFICATE OF TITLE NO. 101491792.
(HEREINA	AFTER CALLED THE "SAID LANDS")
and condition	AND WHEREAS the Lessor has agreed to lease certain portions of the said lands to the Lessee for the purposes and upon the terms one hereinafter set forth;
	NOW THEREFORE THIS LEASE WITNESSETH THAT:
DEMISED	PREMISES
ai d L ai	the Lessor, in consideration of the sum of Ten (\$10.00) Dollars (the receipt of which is hereby acknowledged) paid to the Lessor by the Lessee, and in consideration of the terms and conditions herein provided, does hereby lease to the Lessee all and singular those parts of the said lands elineated on the sketch or plan annexed hereto as Schedule "A" to this Lease (hereinafter called the "demised premises") to be held by the essee as tenant for the term of 21 years from the date hereof for any and all purposes and uses as may be necessary or useful in connection with my of the Lessee's operations including, without limitation, the exploration, development, production and transmission of oil, gas and any elated hydrocarbons or substances produced in association therewith, subject to the payment of the following additional compensations:
Payment in	the first year by Lessee
	rior to commencing any construction on the demised premises, the Lessee shall pay to the Lessor an additional sum of Size Houses (\$5600°) Dollars s compensation (including rental and otherwise for the first year of the term hereof).
	ayment in Subsequent Years by Lessee
	for each subsequent year of the term hereof, the Lessee shall pay to the Lessor the sum of two thousand first fifty (\$ 2050.") Dollars payable annually, in dvance, on or before the anniversary of the date hereof.
Non Exerc	ise of Rights Granted
fe E H c	Notwithstanding the provisions of (a) or (b) set forth above, if the demised premises covered by this Surface Lease are not entered upon, except for survey purposes, within 365 days of the date of this Surface Lease, the Lessee shall pay to the Lessor the sum of <u>Two Hundred Fifty</u> Dollars (\$250.00) for the right to survey and all other inconveniences and on the making of such payment this Surface Lease shall terminate. However, should the Lessee enter the demised premises to conduct drilling operations or should the Lessee make payment of first year onsideration as previously set out, within the said 365 day period, then the Lessee shall have full rights on the demised premises pursuant to the terms of this Surface Lease.
LESSOR'S	S COVENANTS
2. T	The Lessor hereby covenants and agrees with the Lessee that:
(a) T	able by Lessor  The Lessor will promptly pay and satisfy all taxes, rates and assessments that may be assessed or levied against the said lands during the ontinuance of this Lease.
n n	byment The Lessor has good title to the said lands and has good right and full power to lease the said lands and grant the rights and privileges in the manner aforesaid, and the Lessee, upon observing and performing the covenants and conditions on the Lessee's part herein contained, shall and may peaceably possess and enjoy the demised premises and the rights and privileges hereby granted during the said term and any extension thereof without any interruption or disturbance from or by the Lessor or any other person claiming by, through or under the Lessor.

# Use of Premises

(c) The Lessor shall not, without the prior consent of the Lessee, use or occupy the demised premises.

#### Site Assessments and Restoration

(d) The Lessee shall have the right to conduct soil and water samples on the said lands and to condition, maintain, reclaim and restore the surface of the demised premises during the term of the within Lease.

#### LESSEE'S COVENANTS

3. The Lessee hereby covenants and agrees with the Lessor that:

# Fencing

(a) The Lessee will during the continuance of this Lease, if it receives a reasonable request to do so from the Lessor, erect a good and substantial fence around any installations on, and provide a proper livestock guard at any point of entry to, the demised premises. The Lessee will replace and repair any fences which it may have removed or damaged as a result of its operations.

#### Taxes

(b) The Lessee will pay all taxes, rates and assessments that may be assessed or levied in respect of machinery, equipment, structures or works placed by the Lessee in, on or under the demised premises.

## Compensation for Damages

(c) The Lessee will pay compensation for damage done by the Lessee to growing crops, fences, buildings or other improvements of the Lessor upon the said lands other than the demised premises.

#### Indemnity

(d) The Lessee will indemnify and save harmless the Lessor from and against all actions, suits, claims and demands by any person in respect of any loss, injury, damage or obligation arising out of or connected with the operations of the Lessee on the demised premises.

## Reclamation

(e) The Lessee shall, upon the surrender of the whole or any portion of the demised premises, promptly restore the surface of the demised premises as nearly as possible to its original condition in accordance with applicable laws and regulations; provided that where the demised premises or any portion thereof was treed prior to entry or was otherwise in a natural state, the Lessee may, at its option, return the demised premises or such portion thereof to the Lessor in a state equivalent to newly broken land or better.

#### Topsoil

(f) The Lessee agrees, unless otherwise requested by the Lessor, to strip, conserve and preserve the topsoil from those portions of the demised premises to be excavated by the Lessee or upon which a permanent roadway is to be constructed, having regard to good soil conservation practices and upon completion of its operations to return such topsoil on the demised premises to a depth reasonably similar to those conditions existing prior to the commencement of construction.

# Weeds

(g) The Lessee will control all weeds on the demised premises but in so doing will not use a soil sterilant without the written consent of the Lessor.

The Lessee may use commonly accepted herbicides and weed sprays.

# Construction of Ditches and Approaches Where Required

(h) The Lessee shall construct any roadway on the demised premises with shallow ditches (unless topography of the land dictates otherwise) where required and, if necessary, with a reasonable number of approaches for the Lessor in order that the Lessor may cross the roadway with farm machinery in moving from one field in the said lands to another field that lies across the roadway.

# Culverts

(i) The Lessee shall construct and maintain such culverts and other structures on the demised premises as may be reasonably required to ensure the unimpeded flow of water through natural drainage courses.

# Abandonment

(j) Upon abandonment of any well drilled by the Lessee on the demised premises, the Lessee shall cause such well to be plugged and all excavations in connection therewith to be filled and completed in accordance with all applicable laws and regulations of Saskatchewan.

# MUTUAL COVENANTS

4. The Lessor and the Lessee do hereby mutually covenant and agree each with the other as follows:

# **Review of Rental**

(a) Notwithstanding anything contained in this Lease, upon the request of either party to this Lease, the amount of annual rental payable in respect of the demised premises shall be subject to review at the end of three (3) years from the date hereof and at the end of each succeeding three (3) year period. Such request shall be in writing and shall be given to the other party within three (3) months before or within three (3) months after the date of commencement of the period in respect of which the review of rent is sought. In case of disagreement as to the amount of rent to be payable or any other matter in connection therewith, the same shall be determined by the Board of Arbitration appointed pursuant to *The Surface Rights Acquisition and Compensation Act*.

# Surrender

(b) Subject to the provisions of clause 3(e) hereof, the Lessee shall have the right at any time, by giving written notice to the Lessor to that effect, to surrender and terminate this Lease effective as at a date to be specified in such notice. Provided that if no date is specified in such notice, then the effective date of the surrender shall be the day before the following anniversary date of the within Lease. There shall be no refund to the Lessee of any rental which may have been paid in advance.

Www.

Reduction in Acreage

(c) The Lessee may, from time to time and at any time, surrender any portion of the demised premises by written notice to the Lessor. Such notice shall be accompanied by a plan of the portion or portions of the demised premises which are to be retained by the Lessee and upon receipt of such notice the plan attached thereto shall be deemed to be the Schedule "A" hereto and the term "the demised premises" shall thereafter include only the portion of the said lands retained by the Lessee pursuant to the provisions of this clause. Upon the surrender of a portion of the demised premises the rental payable hereunder shall be no less than the amount payable immediately prior to the surrender being made, provided that on a review of rent pursuant to the provisions of subclause (a) of this clause the future rent to be thereby determined shall only be calculated on the basis of the reduced area of the demised premises remaining subject to this Lease.

Removal of Equipment

(d) The Lessee shall retain all property rights in and shall have the right at all times during the continuance of this Lease to remove or cause to be removed from the demised premises all buildings, structures, fixtures, casing in wells, pipelines, materials and equipment of whatsoever nature or kind which the Lessee may have placed in, on or under the demised premises.

Discharge of Encumbrances

The Lessee shall have the option to pay or discharge all or part of any balance owing under any agreement for sale or mortgage, or of any tax, charge, lien or encumbrance of any kind or nature whatsoever which may now or hereafter exist on or against or in any way affect the said lands, and in that event the Lessee shall be subrogated to the rights of the holder or holders thereof and shall have, in addition thereto, the option to be reimbursed by applying to the amounts so paid the rent or other sums accruing to the Lessor under the terms of this Lease.

Digging of Pits

(f) The Lessee shall dig pits or have adequate metal reservoirs and shall deposit therein the mud and sludge resulting from drilling operations and shall not permit the same to escape onto the Lessor's land adjoining the demised premises and the Lessee shall dispose of such mud and sludge on the demised premises in accordance with all applicable laws and regulations of the Province of Saskatchewan.

Assignment by Lessor

(g) The Lessor may delegate, sign or convey to other persons or corporations, all of the powers, rights, privileges and interests obtained by or conferred upon the Lessor hereunder and that upon any such assignment or conveyance the Lessor shall be released from any and all claims, causes of action, damages or other matter or thing from the date of such assignment arising out of or in connection with this Lease. Provided always that no delegation, assignment or conveyance by the Lessor shall be effective or binding upon the Lessee until the Lessee has received a written notice of same, which notice shall include the name and address of the assignee. Upon the Lessee receiving notice that the Lessor has ceased to be the registered owner of the said lands or upon the Lessee receiving a notice of assignment as aforesaid, the Lessee shall terminate any further payments to the Lessor hereunder.

Assignment by Lessee

(h) The Lessee may delegate, assign or convey to other persons or corporations, all or any of the powers, rights, privileges and interests obtained by or conferred upon the Lessee hereunder, and may enter into all agreements, contracts and writings and do all necessary acts and things to give effect to the provisions of this clause. It is understood and agreed that upon any such assignment or conveyance hereunder, the Lessee shall be released from any and all claims, causes of actions, damages or any other matter or thing from the date of such assignment arising out of or in connection with this Lease. No delegation, assignment or conveyance by the Lessee shall be effective or binding upon the Lessor until the Lessor has received a written notice of same, which notice shall include the name and address of the assignee.

Renewal

(i) If the Lessee is not in default in respect of any of the covenants and conditions contained in this Lease at the date of expiration of the term of 21 years hereinbefore mentioned, then this Lease shall be automatically renewed for a further term of 21 years commencing on the day following the expiration of the aforesaid term at an annual rental calculated from time to time as herein provided for that portion of the term subsequent to the first year thereof. Such extended term shall be subject to all the provisions of this Lease, including this provision for automatic renewal.

Default

Neither the Lessor nor the Lessee shall be considered in default in the performance of their respective obligations under this Lease to the extent that the performance of such obligations, or any of them, is prevented or delayed by any cause or circumstances which are beyond the reasonable control of the party obliged to perform. In no event shall the Lessee be considered to be in default of the performance of any of its covenants or obligations under this Lease, including the payment of rental, unless and until the Lessor shall have notified the Lessee in writing of such default. Following receipt of such notice of default, the Lessee shall within a reasonable period of time remedy or commence action to remedy such default and thereafter diligently continue to complete such remedial action.

Notice

(k) Unless changed by written notice, the addresses of the parties hereto shall be:

To the Lessor:

DARREL ROBERT KERR AND DEBRA LYNN KERR

Box 545

Kyle, Saskatchewan S0L 1T0

To the Lessee:

HUSKY OIL OPERATIONS LIMITED

Box 6525, Station D Calgary, Alberta T2P 3G7

Either party may at any time change its address for service hereunder by giving written notice of such change of address to the other party in the manner above specified.

Compliance with Laws

(l) The Lessor and Lessee shall comply with all applicable laws and regulations of the Province of Saskatchewan as may be in force from time to time pertaining to their respective activities on the said lands.

Saskatchewan Law

(m) This Lease shall for all purposes be construed according to the laws of the Province of Saskatchewan.

Successors and Assignee

(n) This Lease and everything herein contained shall enure to the benefit of and be binding upon the Lessor, his heirs, executors, administrators, successors and assigns and upon the Lessee, its successors and assigns. References to the terms "Lessor" and "Lessee" in the singular number and masculine gender shall also include the plural number and feminine or neuter gender where the context so requires.

J.K.

## **Payment of Rental**

(o) Any rental or payment required to be made to the Lessor by the Lessee hereunder may be made by personal delivery or by mail to the Lessor at his address for service of notices hereinbefore set forth, or by depositing the same to the Lessor's credit at such place as the Lessor may, in writing, from time to time designate.

# Time of the Essence

(p) Time shall be in every respect of the essence of this Lease.

# **Additional Terms**

(q) Any additional terms, expressed or implied, shall be of no force or effect unless made in writing and agreed to by the Lessor and the Lessee.

The Lessee hereby accepts this Lease of the demised premises, to be held by it as tenant, and subject to the conditions, restrictions and covenants above set forth.

IN WITNESS WHEREOF the Lessor has hereunto set his/her/their hand(s) and seal(s) and the Lessee has caused its corporate seal to be hereunto affixed attested to by the hand(s) of its proper officer(s) duly authorized in that behalf the day and year first above written.

SIGNED, SEALED AND DELIVERED by the Lessor in the presence of:  Witness	) ) )	Jane &
Witness	)	DARREL ROBERT KERR  DEBRA LYNN KERR
(c.s.)		HUSKY OIL OPERATIONS LIMITED  Per:
		BRENT ERNER Senior Surface Landman

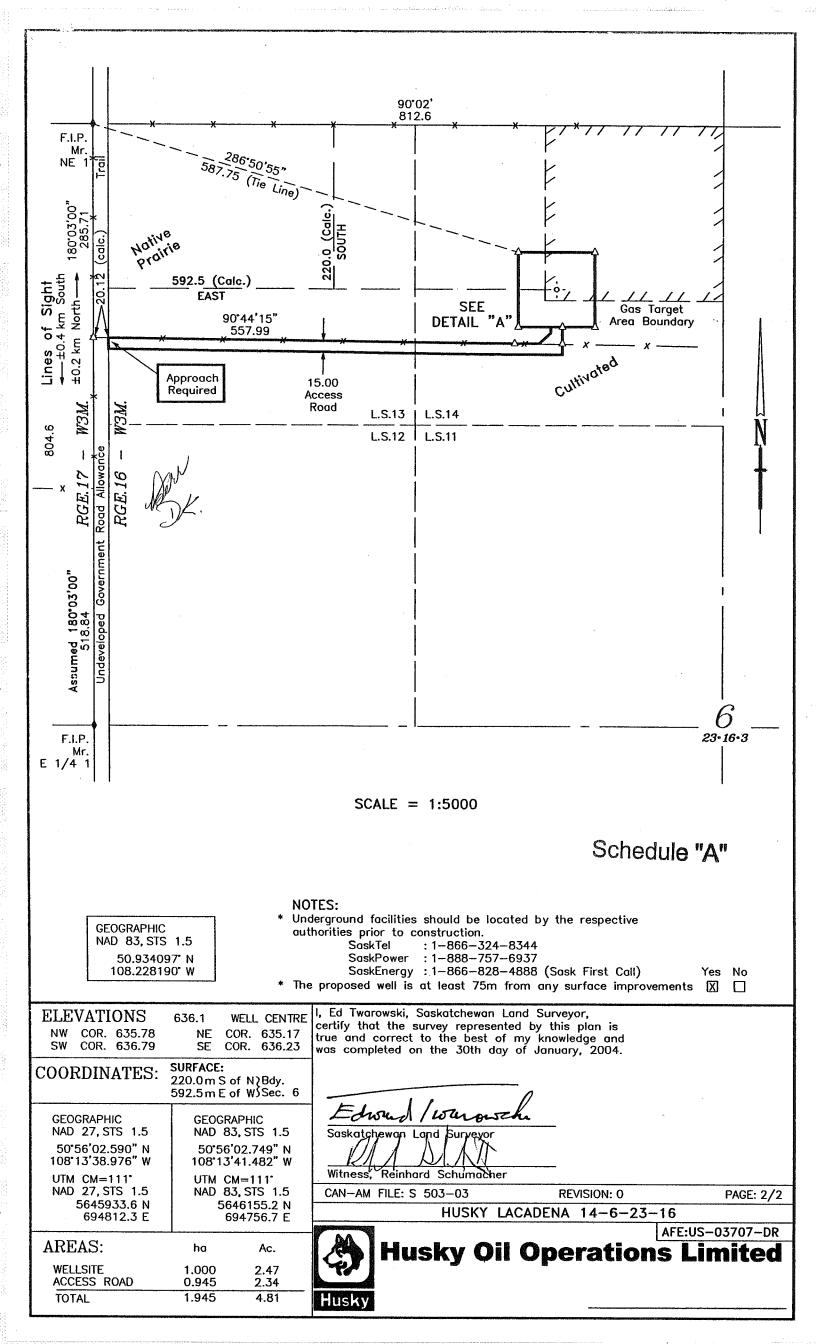
PROVINCE OF SASKATCHEWAN TO WIT:	)	HOMESTEADS AFFIDAVIT
I, DARREL ROBERT KERR, of Kyle, in the Prov	ince of Saskatch	newan, MAKE OATH AND SAY AS FOLLOWS:
<ol> <li>I am the Lessor named in the within disp</li> <li>My spouse is a registered owner of the la</li> </ol>		bject matter of this disposition and a co-signor of this disposition.
SWORN before me at the District of	) ) _, 2004.)	DARREL ROBERT KERR
A COMMISSIONER FOR OATHS In and For the Province of Saskatchewan. My Appointment Expires		
K. TROY BECKER Commissioner for Oaths in and for the Province of Saskatchewan Expires June 30, 2004		
C A N A D A PROVINCE OF SASKATCHEWAN T O W I T:	)	AFFIDAVIT OF EXECUTION
I, Voy Bech , o	f Late	, in the Province of Saskatchewan, LANDMAN, MAKE OATH
THAT I was personally present and did personally known to me to be the person(s) named	I see DARREL therein, duly sig	ROBERT KERR AND DEBRA LYNN KERR, named in the annexed Surface Lease and execute the same for the purposes named therein;
2. THAT the said Surface Lease was execubscribing witness thereto;	uted at the Dist	rict of, in the Province of Saskatchewan, and that I am the
3. THAT I know the said DARREL ROB! more.	ERT KERR AN	D DEBRA LYNN KERR, and he/she/each is/are in my belief eighteen years of age o
SWORN before me at the Town of Eatonia in the Province of Saskatchewan this day of	) ) , 2004.)	
A COMMISSIONER FOR OATHS In and for the Province of Saskatchewan.	<del>-</del> .	

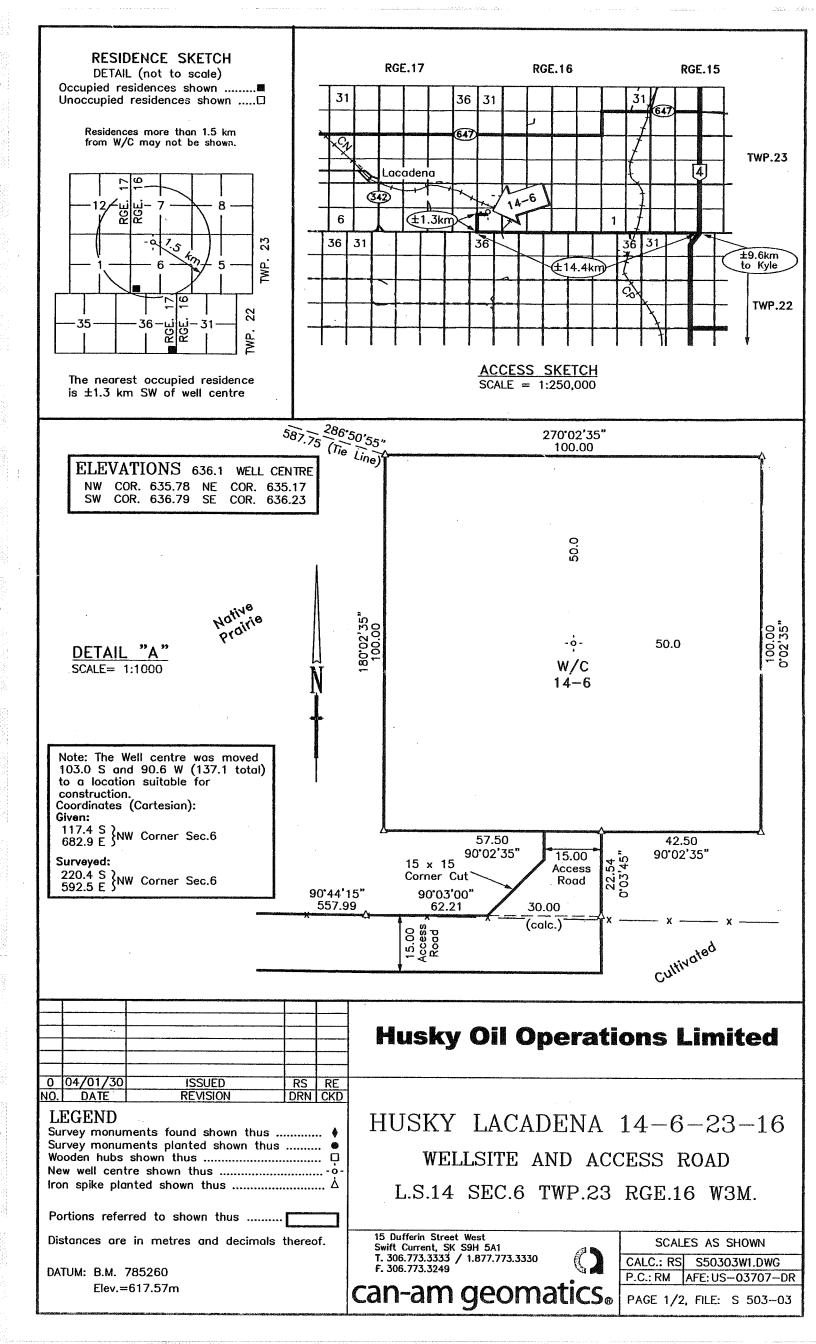
DONNA A. BEWS
Commissioner for Oaths in and for
The Province of Saskatchewan
Expires August 31, 2006

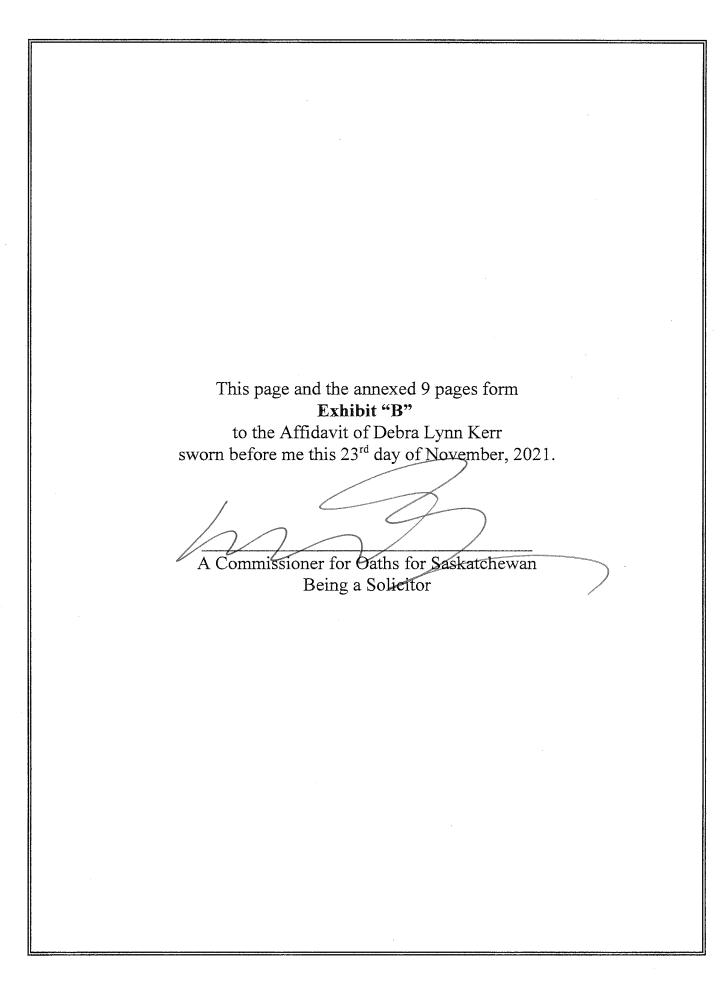
I, ELIZABETH JEAN KERR, of White Bear, in the Province of Saskatchewan, having an interest in the within lands by virtue of Registered Interest No. 100570924 dated June 5, 2001, DO HEREBY AGREE that all my (our) rights, interest and estate which are, or may be, affected by the attached Saskatchewan Surface Lease shall be fully bound by all the terms and conditions thereof both now and henceforth.

Dated at White Beer	, in the Province of Saskatchewan, this
day of March	A.D. 2004.
Witness	ELIZABETH JEAN KERR
AFFIDAY	VIT OF EXECUTION
CANADA ) PROVINCE OF SASKATCHEWAN ) TO WIT: )	I, Becher, of LANDMAN, in the Province of Saskatchewan, make oath and say:
	ELIZABETH JEAN KERR, named in the within instrument, who
therein.	
2. That the same was executed at/near	lin the Province of
Saskatchewan, and that I am the subscribing witness	s thereto.
That I know the said ELIZABETH JEAN I	KERR, and she is in my belief of the full age of eighteen years.
SWORN before me at the Town of Eatonia in the Province of Saskatchewan this day of	) } }
A Commissioner for Oaths in and for the Province of Saskatchewan.	
DONNA A. BEWS Commissioner for Oaths in and for The Province of Saskatchewan	

Expires August 31, 2006







# SASKATCHEWAN SURFACE LEASE

Husky Oil Operations Limited File 73016

THIS L	LEASE MADE THIS, A.D. 2006.
BETW	EEN:
	DARREL ROBERT KERR AND DEBRA LYNN KERR, As Joint Tenants, of Kyle, in the Province of Saskatchewan,
	(hereinafter called the "Lessor") - and -
	HUSKY OIL OPERATIONS LIMITED, a body corporate having its head office in the City of Calgary, in the Province of Alberta
	(hereinafter called the "Lessee")
unregis existing	WHEREAS the Lessor is the registered owner (or is entitled to become registered as owner under an agreement for sale of tered transfer or otherwise) of an estate in fee simple, subject however to the exceptions, conditions, encumbrances and interests contained in the Certificate of Title, of and in that certain parcel of land situated, lying and being in the Province of Saskatchewan and described as follows:
IN TOV RANGI WEST (SURFA EXCEP	OUTH WEST QUARTER OF SECTION SIX (06), WNSHIP TWENTY-THREE (23), E SIXTEEN (16), OF THE THIRD MERIDIAN, SASKATCHEWAN ACE PARCEL NO. 103198439) PTING THEREOUT ALL MINES AND MINERALS.
	SCRIBED IN CERTIFICATE OF TITLE NO. 101491860.
(HERE	EINAFTER CALLED THE "SAID LANDS")
and con	AND WHEREAS the Lessor has agreed to lease certain portions of the said lands to the Lessee for the purposes and upon the term ditions hereinafter set forth;
	NOW THEREFORE THIS LEASE WITNESSETH THAT:
DEMIS	SED PREMISES
1.	The Lessor, in consideration of the sum of Ten (\$10.00) Dollars (the receipt of which is hereby acknowledged) paid to the Lessor by the Lesser and in consideration of the terms and conditions herein provided, does hereby lease to the Lessee all and singular those parts of the said land delineated on the sketch or plan annexed hereto as Schedule "A" to this Lease (hereinafter called the "demised premises") to be held by th Lessee as tenant for the term of 21 years from the date hereof for any and all purposes and uses as may be necessary or useful in connection with any of the Lessee's operations including, without limitation, the exploration, development, production and transmission of oil, gas and any related hydrocarbons or substances produced in association therewith, subject to the payment of the following additional compensations:
Paymen	nt in the first year by Lessee
(a)	Prior to commencing any construction on the demised premises, the Lessee shall pay to the Lessor an additional sum of the state of the
	as compensation (including rental and otherwise for the first year of the term hereof).
Paymen	nt in Subsequent Years by Lessee
(b)	For each subsequent year of the term hereof, the Lessee shall pay to the Lessor the sum of the payable annually, in advance, on or before the anniversary of the date hereof.
Non Exc	ercise of Rights Granted
	Notwithstanding the provisions of (a) or (b) set forth above, if the demised premises covered by this Surface Lease are not entered upon, excep for survey purposes, within 365 days of the date of this Surface Lease, the Lessee shall pay to the Lessor the sum of <b>Two Hundred Fifty</b> Dollars (\$250.00) for the right to survey and all other inconveniences and on the making of such payment this Surface Lease shall terminate. However, should the Lessee enter the demised premises to conduct drilling operations or should the Lessee make payment of first yea consideration as previously set out, within the said 365 day period, then the Lessee shall have full rights on the demised premises pursuant to the terms of this Surface Lease.
LESSO	R'S COVENANTS
2.	The Lessor hereby covenants and agrees with the Lessee that:
Taxes Pa	ayable by Lessor  The Lessor will promptly pay and satisfy all taxes, rates and assessments that may be assessed or levied against the said lands during the continuance of this Lease

The Lessor has good title to the said lands and has good right and full power to lease the said lands and grant the rights and privileges in the manner aforesaid, and the Lessee, upon observing and performing the covenants and conditions on the Lessee's part herein contained, shall and may peaceably possess and enjoy the demised premises and the rights and privileges hereby granted during the said term and any extension thereof without any interruption or disturbance from or by the Lessor or any other person claiming by, through or under the Lessor.

# Use of Premises

Quiet Enjoyment

(c) The Lessor shall not, without the prior consent of the Lessee, use or occupy the demised premises.

DK Jah

#### Site Assessments and Restoration

(d) The Lessee shall have the right to conduct soil and water samples on the said lands and to condition, maintain, reclaim and restore the surface of the demised premises during the term of the within Lease.

### LESSEE'S COVENANTS

3. The Lessee hereby covenants and agrees with the Lessor that:

#### Fencing

(a) The Lessee will during the continuance of this Lease, if it receives a reasonable request to do so from the Lessor, erect a good and substantial fence around any installations on, and provide a proper livestock guard at any point of entry to, the demised premises. The Lessee will replace and repair any fences which it may have removed or damaged as a result of its operations.

#### Taxes

(b) The Lessee will pay all taxes, rates and assessments that may be assessed or levied in respect of machinery, equipment, structures or works placed by the Lessee in, on or under the demised premises.

#### Compensation for Damages

(c) The Lessee will pay compensation for damage done by the Lessee to growing crops, fences, buildings or other improvements of the Lessor upon the said lands other than the demised premises.

# Indemnity

(d) The Lessee will indemnify and save harmless the Lessor from and against all actions, suits, claims and demands by any person in respect of any loss, injury, damage or obligation arising out of or connected with the operations of the Lessee on the demised premises.

#### Reclamation

(e) The Lessee shall, upon the surrender of the whole or any portion of the demised premises, promptly restore the surface of the demised premises as nearly as possible to its original condition in accordance with applicable laws and regulations; provided that where the demised premises or any portion thereof was treed prior to entry or was otherwise in a natural state, the Lessee may, at its option, return the demised premises or such portion thereof to the Lessor in a state equivalent to newly broken land or better.

## Topsoil

(f) The Lessee agrees, unless otherwise requested by the Lessor, to strip, conserve and preserve the topsoil from those portions of the demised premises to be excavated by the Lessee or upon which a permanent roadway is to be constructed, having regard to good soil conservation practices and upon completion of its operations to return such topsoil on the demised premises to a depth reasonably similar to those conditions existing prior to the commencement of construction.

#### Weeds

(g) The Lessee will control all weeds on the demised premises but in so doing will not use a soil sterilant without the written consent of the Lessor.

The Lessee may use commonly accepted herbicides and weed sprays.

# Construction of Ditches and Approaches Where Required

The Lessee shall construct any roadway on the demised premises with shallow ditches (unless topography of the land dictates otherwise) where required and, if necessary, with a reasonable number of approaches for the Lessor in order that the Lessor may cross the roadway with farm machinery in moving from one field in the said lands to another field that lies across the roadway.

# Culverts

(i) The Lessee shall construct and maintain such culverts and other structures on the demised premises as may be reasonably required to ensure the unimpeded flow of water through natural drainage courses.

# Abandonment

(j) Upon abandonment of any well drilled by the Lessee on the demised premises, the Lessee shall cause such well to be plugged and all excavations in connection therewith to be filled and completed in accordance with all applicable laws and regulations of Saskatchewan.

# MUTUAL COVENANTS

4. The Lessor and the Lessee do hereby mutually covenant and agree each with the other as follows:

# Review of Rental

Notwithstanding anything contained in this Lease, upon the request of either party to this Lease, the amount of annual rental payable in respect of the demised premises shall be subject to review at the end of three (3) years from the date hereof and at the end of each succeeding three (3) year period. Such request shall be in writing and shall be given to the other party within three (3) months before or within three (3) months after the date of commencement of the period in respect of which the review of rent is sought. In case of disagreement as to the amount of rent to be payable or any other matter in connection therewith, the same shall be determined by the Board of Arbitration appointed pursuant to *The Surface Rights Acquisition and Compensation Act*.

# Surrender

(b) Subject to the provisions of clause 3(e) hereof, the Lessee shall have the right at any time, by giving written notice to the Lessor to that effect, to surrender and terminate this Lease effective as at a date to be specified in such notice. Provided that if no date is specified in such notice, then the effective date of the surrender shall be the day before the following anniversary date of the within Lease. There shall be no refund to the Lessee of any rental which may have been paid in advance.

DK Jul

Reduction in Acreage

(c) The Lessee may, from time to time and at any time, surrender any portion of the demised premises by written notice to the Lessor. Such notice shall be accompanied by a plan of the portion or portions of the demised premises which are to be retained by the Lessee and upon receipt of such notice the plan attached thereto shall be deemed to be the Schedule "A" hereto and the term "the demised premises" shall thereafter include only the portion of the said lands retained by the Lessee pursuant to the provisions of this clause. Upon the surrender of a portion of the demised premises the rental payable hereunder shall be no less than the amount payable immediately prior to the surrender being made, provided that on a review of rent pursuant to the provisions of subclause (a) of this clause the future rent to be thereby determined shall only be calculated on the basis of the reduced area of the demised premises remaining subject to this Lease.

Removal of Equipment

(d) The Lessee shall retain all property rights in and shall have the right at all times during the continuance of this Lease to remove or cause to be removed from the demised premises all buildings, structures, fixtures, casing in wells, pipelines, materials and equipment of whatsoever nature or kind which the Lessee may have placed in, on or under the demised premises.

Discharge of Encumbrances

(e) The Lessee shall have the option to pay or discharge all or part of any balance owing under any agreement for sale or mortgage, or of any tax, charge, lien or encumbrance of any kind or nature whatsoever which may now or hereafter exist on or against or in any way affect the said lands, and in that event the Lessee shall be subrogated to the rights of the holder or holders thereof and shall have, in addition thereto, the option to be reimbursed by applying to the amounts so paid the rent or other sums accruing to the Lessor under the terms of this Lease.

**Digging of Pits** 

(f) The Lessee shall dig pits or have adequate metal reservoirs and shall deposit therein the mud and sludge resulting from drilling operations and shall not permit the same to escape onto the Lessor's land adjoining the demised premises and the Lessee shall dispose of such mud and sludge on the demised premises in accordance with all applicable laws and regulations of the Province of Saskatchewan. The Lessee shall bury all cement returns from its operation on the demised premises to a minimum depth of 1.2 meters, all in accordance with all applicable laws and regulations of Saskatchewan.

Assignment by Lessor

The Lessor may delegate, sign or convey to other persons or corporations, all of the powers, rights, privileges and interests obtained by or conferred upon the Lessor hereunder and that upon any such assignment or conveyance the Lessor shall be released from any and all claims, causes of action, damages or other matter or thing from the date of such assignment arising out of or in connection with this Lease. Provided always that no delegation, assignment or conveyance by the Lessor shall be effective or binding upon the Lessee until the Lessee has received a written notice of same, which notice shall include the name and address of the assignee. Upon the Lessee receiving notice that the Lessor has ceased to be the registered owner of the said lands or upon the Lessee receiving a notice of assignment as aforesaid, the Lessee shall terminate any further payments to the Lessor hereunder.

Assignment by Lessee

(h) The Lessee may delegate, assign or convey to other persons or corporations, all or any of the powers, rights, privileges and interests obtained by or conferred upon the Lessee hereunder, and may enter into all agreements, contracts and writings and do all necessary acts and things to give effect to the provisions of this clause. It is understood and agreed that upon any such assignment or conveyance hereunder, the Lessee shall be released from any and all claims, causes of actions, damages or any other matter or thing from the date of such assignment arising out of or in connection with this Lease. No delegation, assignment or conveyance by the Lessee shall be effective or binding upon the Lessor until the Lessor has received a written notice of same, which notice shall include the name and address of the assignee.

# Renewal

(i) If the Lessee is not in default in respect of any of the covenants and conditions contained in this Lease at the date of expiration of the term of 21 years hereinbefore mentioned, then this Lease shall be automatically renewed for a further term of 21 years commencing on the day following the expiration of the aforesaid term at an annual rental calculated from time to time as herein provided for that portion of the term subsequent to the first year thereof. Such extended term shall be subject to all the provisions of this Lease, including this provision for automatic renewal.

Default

Neither the Lessor nor the Lessee shall be considered in default in the performance of their respective obligations under this Lease to the extent that the performance of such obligations, or any of them, is prevented or delayed by any cause or circumstances which are beyond the reasonable control of the party obliged to perform. In no event shall the Lessee be considered to be in default of the performance of any of its covenants or obligations under this Lease, including the payment of rental, unless and until the Lessor shall have notified the Lessee in writing of such default. Following receipt of such notice of default, the Lessee shall within a reasonable period of time remedy or commence action to remedy such default and thereafter diligently continue to complete such remedial action.

Notice (k)

Unless changed by written notice, the addresses of the parties hereto shall be:

To the Lessor:

DARREL ROBERT KERR AND DEBRA LYNN KERR

Box 545

Kyle, Saskatchewan SOL 1T0

To the Lessee:

**HUSKY OIL OPERATIONS LIMITED** 

Box 6525, Station 'D' Calgary, Alberta T2P 3G7

Either party may at any time change its address for service hereunder by giving written notice of such change of address to the other party in the manner above specified.

Compliance with Laws

(I) The Lessor and Lessee shall comply with all applicable laws and regulations of the Province of Saskatchewan as may be in force from time to time pertaining to their respective activities on the said lands.

# Saskatchewan Law

(m) This Lease shall for all purposes be construed according to the laws of the Province of Saskatchewan.

Successors and Assignee

(n) This Lease and everything herein contained shall enure to the benefit of and be binding upon the Lessor, his heirs, executors, administrators, successors and assigns and upon the Lessee, its successors and assigns. References to the terms "Lessor" and "Lessee" in the singular number and masculine gender shall also include the plural number and feminine or neuter gender where the context so requires.

Dx Jun

## **Payment of Rental**

Any rental or payment required to be made to the Lessor by the Lessee hereunder may be made by personal delivery or by mail to the Lessor at his address for service of notices hereinbefore set forth, or by depositing the same to the Lessor's credit at such place as the Lessor may, in writing, from time to time designate.

## Time of the Essence

(p) Time shall be in every respect of the essence of this Lease.

# **Additional Terms**

(q) Any additional terms, expressed or implied, shall be of no force or effect unless made in writing and agreed to by the Lessor and the Lessee.

The Lessee hereby accepts this Lease of the demised premises, to be held by it as tenant, and subject to the conditions, restrictions and covenants above set forth.

IN WITNESS WHEREOF the Lessor has hereunto set his/her/their hand(s) and seal(s) and the Lessee has caused its corporate seal to be hereunto affixed attested to by the hand(s) of its proper officer(s) duly authorized in that behalf the day and year first above written.

SIGNED, SEALED AND DELIVERED  by the Lessor in the presence of:  )	LESSOR	
Witness: Troy Becker	DARREL ROBERT KERR	
Witness: Troy Becker	DEBRA LYNN KERR	

LESSEE

HUSKY OIL OPERATIONS LIMITE

Per:\_\_

Per:\_\_

Ry Its Agent
BRENT VERNER
Senior Surface Landman

	YINCE OF SASKATCHEWAN  HOMESTEADS AFFIDAVIT  VIT:  )
I, <b>DA</b> F	RREL ROBERT KERR, of Kyle, in the Province of Saskatchewan, MAKE OATH AND SAY AS FOLLOWS:
1. 2.	I am the Lessor named in the within disposition.  My spouse is a registered owner of the land that is the subject matter of this disposition and a co-signor of this disposition.
SWOR in the I day of_	Province of Saskatchewan this 12 )  DARREL ROBERT KERR
	MMISSIONER FOR OATHS for the Province of Saskatchewan.
CANA PROVI	NCE OF SASKATCHEWAN ) <u>AFFIDAVIT OF EXECUTION</u>
I,	Troy Becker of EATONIA, in the Province of Saskatchewan, LANDMAN, MAKE OATH AND SAY AS FOLLOWS:
1.	THAT I was personally present and did see DARREL ROBERT KERR AND DEBRA LYNN KERR, named in the annexed Surface Lease personally known to me to be the person(s) named therein, duly sign, seal and execute the same for the purposes named therein;
2.	THAT the said Surface Lease was executed at the District of, in the Province of Saskatchewan, and that I am the subscribing witness thereto;
3.	THAT I know the said DARREL ROBERT KERR AND DEBRA LYNN KERR, and he/she/each is/are in my belief eighteen years of age or more.
in the Priday of	N before me at the Town of Eatonia rovince of Saskatchewan this 5  October, A.D. 2006.  Troy Becker  IMISSIONER FOR OATHS
	IMISSIONER FOR OATHS For the Province of Saskatchewan.

KAREN C. BECKER
Commissioner for Oaths in and for
the Province of Saskatchewan
Explise April 30, 2010

#### **RESIDENCE SKETCH** (not to scale) OCCUPIED RESIDENCES SHOWN... UNOCC. RESIDENCES SHOWN ..... SURFACE IMPACT INFORMATION Residences more than 1.6km from W/C may not be shown. The proposed well: is at least 75 m from any surface improvements. Is at least 5.0 km from a lighted airport. is at least 1.6 km from an unlighted airport. is at least 1.6 km from the corporate limits of a city, town, or village. TWP, 23 Schedule "A" TWP. 22 **RGE. 17 RGE. 16 ENVIRONMENTAL STATUS** The nearest occupied residence The proposed well is within: is ±0.8km SW of well centre. YES NO ESI: $\square$ X· EPP: Owner/Occupant Title # Parcel As of: X· N/A: Darrel Robert Kerr 101491860 SW 6 Ext.0 06/08/18 Debra Lynn Kerr Note: **TARGET REQUIREMENTS** The well centre was moved 95.9 S and 71,3 E (119.5 total) The proposed well: YES NO to a location suitable for · is in target X construction... · is 2% of well depth inside target. X Requested: 690.0m N of S } Bdy. Sec. 6 NOTES: As surveyed: Underground facilities should be located by the respective 594.1m N of S } Bdy. Sec. 16 authorities prior to construction. : 1-866-828-4888 (Sask First Call) : 1-888-757-6937 SaskTel SaskPower SaskEnergy : 1-866-828-4888 (Sask First Call) Surface Cartesian: 593.6m N } SW Cor. Sec. 6 NOTE: THIS WELL IS TO BE **ELEVATIONS** 636.9 WELL CENTRE NW COR. 635.83 NE COR. 633.36 DRILLED VERTICALLY SW COR. 638,31 SE COR. 636.79 **DATUM:** BM 785260 Elev.= 617.57 AFE: US-21776-DR Surface Land No: \$73016 COORDINATES: SURFACE: 594.1 m N of S 3761.3 m E of W Bdy. Sec. 6 **Husky Oil Operations Limited** GEOGRAPHIC GEOGRAPHIC NAD 83, STS 1.5 50°55'37.119" N 108°13'32.841" W 50.926977° N NAD 27, STS 1.5 50°55'36.960" N 108°13'30.335" W

# HUSKY LACADENA 6-6-23-16

WELLSITE LOCATION L.S.6 SEC.6 TWP.23 RGE.16 W3MER. RM OF LACADENA No. 228

# AREAS:

UTM CM=111° NAD 27, STS 1.5

5645148.4 N

695010.7 E

WELLSITE	ha 1.000	Ac. 2.47
TOTAL	1.000	2.47

108.225789° W

5645370.0 N

694955.1 E

UTM CM=111° NAD 83, STS 1.5

can-am geomatics<sub>®</sub>

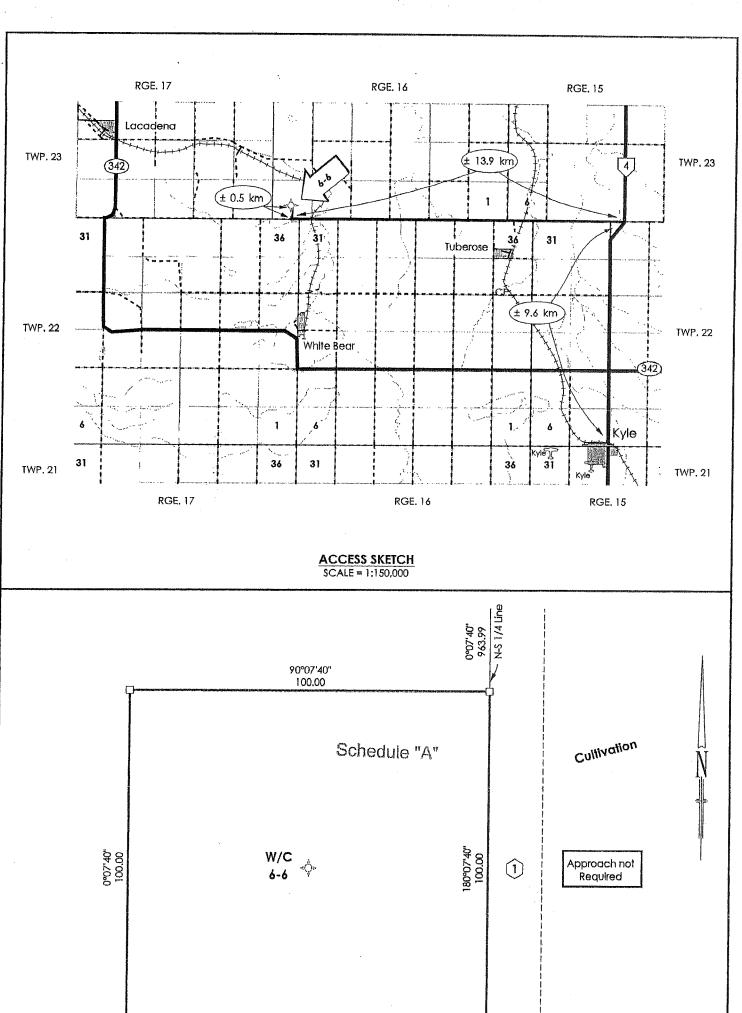
CAN-AM FILE: \$ 351-06 ACAD FILE: \$35106W1-R0.DWG PAGE: 1/4 P.C.: VS 0 DATE: 06/08/30 REVISION

YES NO

X 

X

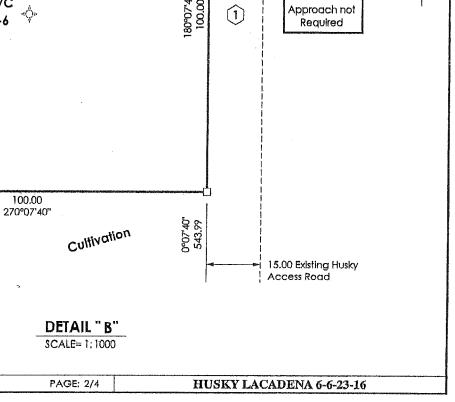
X  $\overline{X}$ 

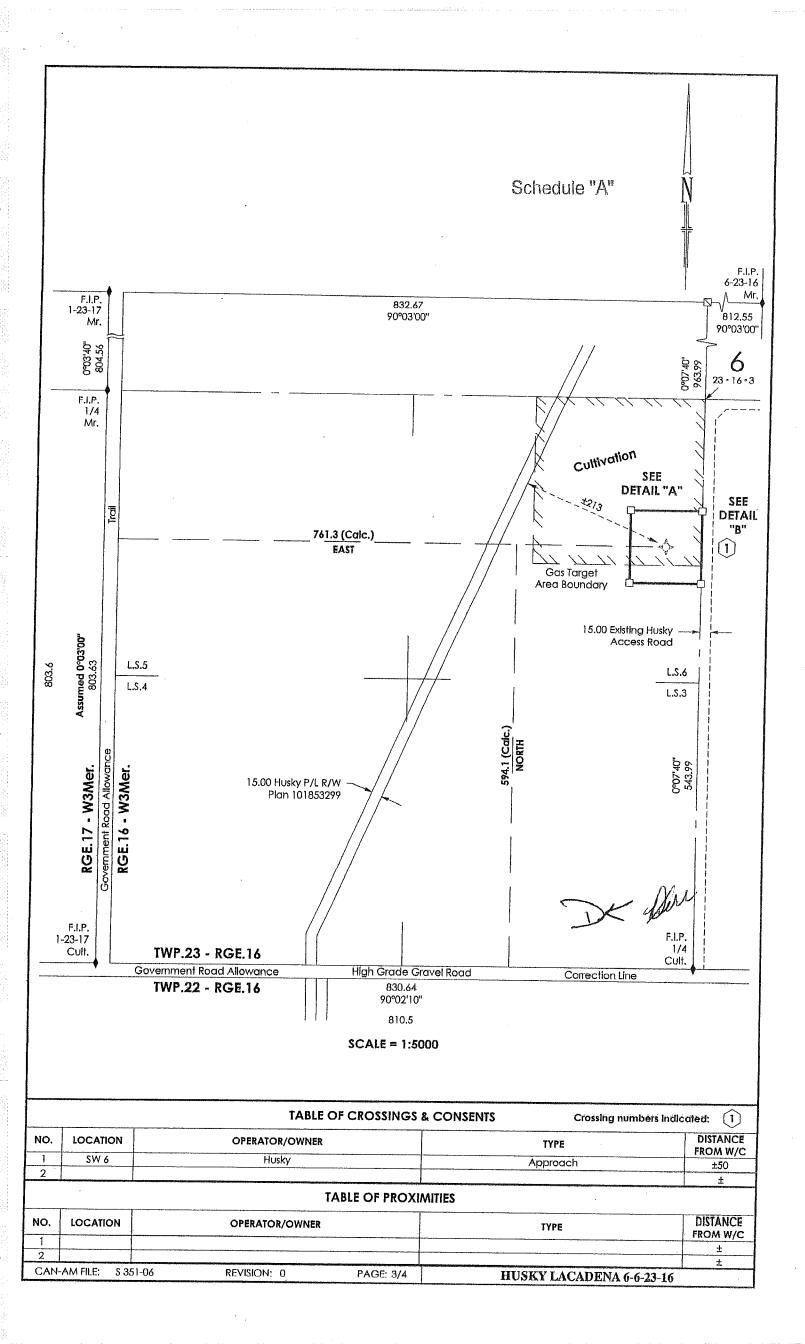


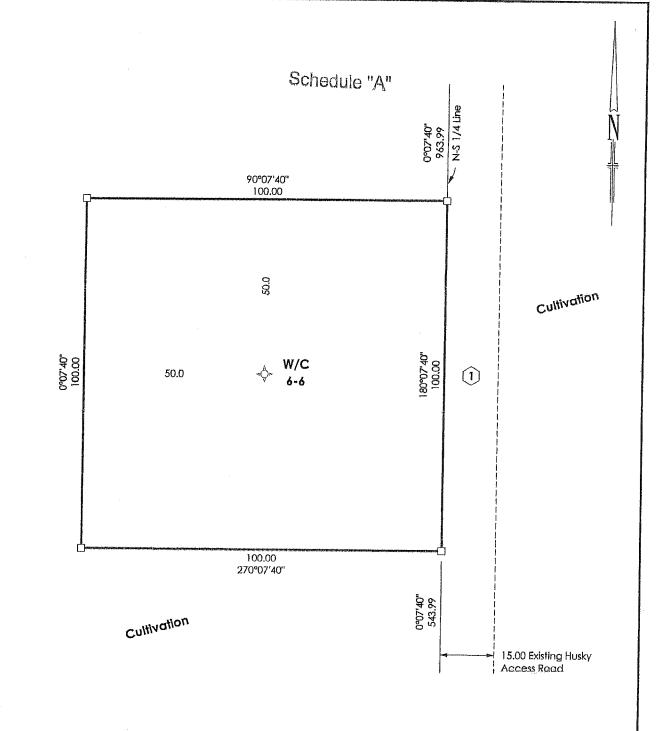
CAN-AM FILE:

\$ 351-06

REVISION: 0







DETAIL "A" SCALE= 1: 1000

**ELEVATIONS** 

Spot elevations:

Existing well head: Bottom hole location: Start of horizontal segment: End of horizontal segment:

Portlons referred to:

Found seismic evidence: . New well centre:

NW COR. 635.83 SW COR. 638.31

636.9 WELL CENTRE NE COR. 633.36 SE COR. 636.79

NO.	DATE	RE√	SION		DRN	CKD
0	06/09/01	ISS	UED		NL	ET
		**********************				
LEC	SEND	· would do				
Surve	ey monumen	ts: found:	•	placed	:	0
Iron :	spike:	found:	A	placed	:	Δ
Unm	arked (calcu	lated) position:				
Woo	den hub:	found:		placed:	:	

i, Ronald J. Eichel, Saskatchewan Land Surveyor,

orman Norman Lew CAN-AM FILE:

certify that the survey represented by this plan is true and correct to the best of my knowledge and was completed on the 1st day of September, 2006. REVISION; 0

PAGE: 4/4

HUSKY LACADENA 6-6-23-16



Husky Oil Operations Limited

This page and the annexed 1 page form Exhibit "C" to the Affidavit of Debra Lynn Kerr sworn before me this 23<sup>rd</sup> day of November, 2021. A Commissioner for Oaths for Saskatchewan Being a Solicitor

# 

April 20, 2018

# DARREL & DEBORA KERR BOX 545

KYLE, SK CANADA SOL 1TO

Re:	<u>Compensation</u>	Review	 SC15	45

Abbey Resources Corp. is requesting a temporary reduction in annual rentals for a three-year period as detailed below

Abbey File No	Wellsite Location	Anniversary Date	Current Rental	% Reduction	Proposed Annual Rental	Rental Term (start)	Rental Term (end)
S66139-00	14-06-023-16W3/00	22-Feb	\$2,250.00	50%	\$1,125.00	Feb 22-19	Feb 21-20
				45%	\$1,237.50	Feb 22-20	Feb 21-21
				40%	\$1,350.00	Feb 22-21	Feb 21-22
				0%	\$2,250.00	Feb 22-22	Feb 21-23
S73016-00	06-06-023-16W3/00	11-Sep	\$2,000.00	50%	\$1,000.00	Sep 11-18	Sep 10-19
				45%	\$1,100.00	Sep 11-19	Sep 10-20
				40%	\$1,200.00	Sep 11-20	Sep 10-21
				0%	\$2,000.00	Sep 11-21	Sep 10-22

Except as amended hereby in the table above, the described Surface Leases are in all respects ratified and confirmed.

Should you find this acceptable please sign where your name is indicated below returning one fully executed copy of this letter to the attention of the writer and retain one copy for your records.

If you are **not** in agreement to the above terms, please return the letter unexecuted to our office in the enclosed self-addressed envelope.

Please contact the undersigned at (306) 463-1041 should you have any further questions or concerns.

Accepted and agreed to this	day of	, 2018.
Yours truly,		
	DARREL KERR	
Millennium Land Ltd.		
	DEBORA KERR	

Troy Becker Agent for Abbey Resources Corp.

> Suite 700 505 3<sup>rd</sup> Street SW Calgary, AB, T2P-3E6 Office: 403-288-4642 jim.gettis@abbeyr.ca

This page and the annexed 1 page form

Exhibit "D"

to the Affidavit of Debra Lynn Kerr sworn before me this 23<sup>rd</sup> day of November, 2021.

A Commissioner for Oaths for Saskatchewan
Being a Solicitor

## ALBERT RESOURCES CORP

Dear Surface Lease Owner:

#### Re: Surface Lease Rent Reduction Program

On April 5<sup>th</sup>, 2018 an open house presentation was made to all Surface Lease Owners regarding possible solutions that could avoid abandonment of wells. If you were unable to attend, you could watch the entire presentation on YouTube by searching for "Abbey Resources April 5th 2018 Meeting in Swift Current".

In summary, Abbey Resources had to commence rent reductions on all surface leases from May 1, 2018 for the next three years. The rent reductions are as follows:

- 50% reduction during the first year (May 1, 2018 to April 30, 2019);
- 45% reduction during the second year (May 1, 2019 to April 30, 2020);
- 40% reduction in the third year (May 1, 2020 to April 30, 2021).
- No rent reduction after April 30, 2021.
   (Hereafter referred to as the "Rent Reduction Program")

We are pleased to confirm that of the Surface Lease Owners that have returned the rental reduction letter, 75% have consented to the Rent Reduction Program.

In regards to the Surface Lease Owners who do not wish to accept the Rent Reduction Program, Abbey Resources will have to take the following action:

- 1. The well will be abandoned:
- 2. The funds that would have been used to pay 100% of the lease amount, will be used to abandon the well;
- 3. A loss of use amount will be paid to the Surface Owner while an Acknowledgement of Reclamation is obtained from the Government of Saskatchewan;
- 4. Should Abbey Resources be denied entry to the lands, the well will become an orphan well and will require the Minister of the Economy to be involved in the abandonment. In this case there will be no loss of use payment and no surface lease rental payments.

Please note that no exceptions will be made to the above, all Surface Owners will be part of the Rent Reduction Program or their wells will have to be abandoned.

We have enclosed a cheque in the amount of 50% of the normal rent payable to you. Please note that by accepting payment and cashing the cheque, you will be regarded as having accepted the Rent Reduction Program.

If you do not accept the Rent Reduction Program, please return the enclosed cheque to our offices as soon as possible.

Please direct any questions you may have to Aaron Tait at Millennium Land, in Swift Current (306-778-4430). Aaron is acting as Abbey's Agent to gather information, and advise Abbey of progress made.

We would like to take this opportunity to thank the Surface Lease Owners who have accepted the Rent Reduction Program and have chosen to work with us during these tough times.

Best Regards,

Aldro

Jim Gettis, P Eng, President

Suite 700 505 3<sup>rd</sup> Street SW Calgary, AB, T2P-3E6 Office: 403-288-4642 Jim.gettis@abbeyr.ca

This page and the annexed 1 page form Exhibit "E" to the Affidavit of Debra-Lynn Kerr sworn before me this 23<sup>rd</sup> day of November, 2021. A Commissioner for Oaths for Saskatchewan Being a Solicitor

Re: Abbey Resources Corp.

Abbey Resources Corp filed for and was granted CCAA protection and now has applied for an extension. Surface rights holders (gas well lease holders) were not represented at previous hearings and it was recommended that they seek representation. There are many lease holders several different RM's and it would be cost effective to retain one lawyer to represent the group. Working on gathering contact information for lease holders in the RM of Lacadena are Grant Wallace (306-529-5330), Brock Minogue (306-375-7661) and Lynn Kerr (306-375-7858). We are working in conjunction with landowners from the RM of Miry Creek.

If you wish to receive information regarding retaining a lawyer to represent the surface rights holders, please send an email by October 27, 2021, to: <a href="mailto:gaswells228@gmail.com">gaswells228@gmail.com</a> indicating your name, phone number and email address. Information will be sent out to surface rights holders via a group email. We realize that all surface rights holders will not receive this email, so we ask that you pass on the contact information to any gas well lease holders in our RM and ask them to contact one of us by email or phone.

Sincerely,

Grant, Brock and Lynn

This page and the annexed 2 pages form Exhibit "F"

to the Affidavit of Debra Lynn Kerr sworn before me this 23<sup>rd</sup> day of November, 2021.

A Commissioner for Oaths for Saskatchewan Being a Solicitor To Abbey Resources Surface Rights Holders,

Re: Retaining Legal Counsel

Thank you for responding to our email with your contact info. We'd like to provide you with some information and ask you a few questions.

Abbey Resources Corp was granted creditor protection on Aug 13<sup>th</sup>, 2021. At the hearing on Oct 7<sup>th</sup>, the judge was not willing to grant Abbey Resources' request for an extension to Jan 17<sup>th</sup>, 2022, as none of the surface rights holders were represented. Instead, the Court extended the stay of proceedings until the end of November, to allow a communication to go out to the surface rights holders. MNP Ltd., the court-appointed monitor of the company, sent a letter dated Oct 19, 2021, to the surface rights holders with information regarding the decision and inviting the lease holders to respond or attend Court through a lawyer. If you didn't receive this letter, please ask me for a copy.

The next hearing will be Nov 24<sup>th</sup>. We are in the process of retaining a lawyer (Wayne Pederson) to represent surface rights holders at that hearing. With this email, you, as a lease holder, are being asked if you wish to join the group being represented by this lawyer and are willing to contribute to the legal costs.

Please provide the following information:

List the name(s) of the surface rights holders (individuals and/or companies) you are representing and the number of leases with Abbey Resources under each entity.

A reduced rate amendment was offered in April, 2018, and a reduced lease size amendment has been offered to some leaseholders. Have you signed any amendments for reduced payments?

If so, have you received the annual rent as per the amended lease agreement?

If you haven't signed an amendment, have you received the agreed-to lease payments since April, 2018, and if you had lease rent due after Aug 13, 2021, have you received payment (reduced or full amount)?

What amount is owing to you as of Aug 13, 2021? Was the correct amount reported to the court? (https://mnpdebt.ca/en/corporate/corporate-engagements/abbey-resources-corporation in the Creditor Listing document)

What concerns do you have regarding any leases you have with Abbey Resources – i.e. years of unpaid leases, dissatisfaction with the proposal for unsigned lessors, lack of weed control, safety and environmental concerns surrounding leaking pipelines, etc.?

Would you be willing to contribute to the legal fund so you can have your voice heard at the hearing at the end of November? We are hoping to get an idea of the cost when we meet with the lawyer on Thursday.

Please note that we are attempting to contact as many of the surface rights holders as possible and ask that you pass on our email address to any leaseholders who have not been contacted: <a href="mailto:gaswells228@gmail.com">gaswells228@gmail.com</a>

Thank you in advance for your quick response.

Sincerely, Lynn Kerr 306-375-7858

This page and the annexed \_\_\_\_ page form Exhibit "G" to the Affidavit of Debra Lynn Kerr sworn before me this 23<sup>rd</sup> day of November, 2021. A Commissioner for Oaths for Saskatchewan Being a Solicitor

Following is the information about the lawyer's representation and fee.

We - Brock, Garry, Grant, Kelly, Lindsay, and Lynn - have retained a lawyer (Wayne Pederson) to represent surface rights holders at the hearing on Nov 24th. We don't feel that there is any advantage to lease holders for the Court to grant Abbey Resources' application for an extension of CCAA protection. Our group intends to have counsel oppose the extension of the CCAA protection and put an end to the CCAA proceedings. If this is your position, please confirm; if this isn't your position, please let me know and I will not include your information to the lawyer.

To be represented with this group, we ask that you help pay the legal fees. To save time and administration, we are dividing the estimated fee by leaseholder rather than number of wells, but asking for only \$100 per entity (personal is one entity; a company is a second entity). This amount can be paid by cheque to Lynn Kerr at Box 545, Kyle SK S0L 1T0 or by e-transfer to <a href="mailto:gaswells228@gmail.com">gaswells228@gmail.com</a>. Please call me for the question and answer to facilitate the e-transfer (306-375-7858) or make up one of your own. If more money is collected than is needed to cover the legal costs, the extra funds will be donated as a lump sum to STARS. Once the lawyer's bill is received and paid, a copy of the bill will be sent to each contributor with an email stating the name and amount of the contribution.

If you have questions that haven't been answered in this email, please contact one of us:

Brock Minogue: (306) 375-7661 Garry Wagner: (306) 587-7175 Grant Wallace: (306) 529-5330 Kelly Bradford: (306) 741-8444 Lindsay Nobbs: (306) 587-7484

Sincerely, Lynn Kerr 306-375-7858 This page and the annexed \_\_\_\_ page form Exhibit "H" to the Affidavit of Debra Lynn Kerr sworn before me this 23<sup>rd</sup> day of November, 2021.

A Commissioner for Oaths for Saskatchewan Being a Solicitor To the Abbey Resources Surface Rights Holders:

Abbey Resources Corp was granted CCAA protection on August 13, 2021. The CCAA protection has been extended and the next court date is November 24, 2021. Surface rights holders (gas well leaseholders) were not represented at previous hearings, and it was recommended that they seek representation. There are many leaseholders, and it would be cost effective to retain one lawyer to represent the group. If you wish to receive information regarding retaining a lawyer to represent the surface rights holders, please reply as soon as possible to this email indicating your name, phone number and email address.

If you have already received an email regarding this matter, please disregard this email.

Lynn Kerr (306) 375-7858 Kelly Bradford (306) 741-8444 Brock Minogue (306) 375-7661 Lindsay Nobbs (306) 587-7484 Garry Wagner (306) 587-7175 Grant Wallace (306) 529-5330 This page and the annexed 2 pages form Exhibit "I"

to the Affidavit of Debra Lynn Kerr sworn before me this 23<sup>rd</sup> day of November, 2021.

A Commissioner for Oaths for Saskatchewan
Being a Solicitor

To Abbey Resources Surface Rights Holders,

Re: Information and Retaining Legal Counsel

Thank you for responding to our email with your contact info. We'd like to provide you with some information and ask you a few questions.

Abbey Resources Corp was granted CCAA protection on Aug 13<sup>th</sup>, 2021. At the hearing on Oct 7<sup>th</sup>, the judge was not willing to grant Abbey Resources' request for an extension to Jan 17<sup>th</sup>, 2022, as the surface rights holders were not represented. Instead, the Court extended the stay of proceedings until the end of November, to allow a communication to go out to the lease holders. MNP Ltd, the court-appointed monitor of the company, sent a letter dated Oct 19, 2021, to the surface rights holders with information regarding the decision and inviting the lease holders to respond or attend Court through a lawyer. If you didn't receive this letter from MNP, please ask me for a copy.

The next hearing will be Nov 24<sup>th</sup>. We have retained a lawyer (Wayne Pederson) to represent surface rights holders at the hearing. Our group intends to have counsel oppose the extension of the CCAA protection and put an end to the CCAA proceedings. If this is your position, please confirm. To be represented with this group, we ask that you help pay the legal fees. To save time and administration, we are dividing the estimated fee by lease holder rather than number of wells, but asking for only \$100 per entity (personal is one entity; a company is a second entity). This amount can be paid by cheque to Lynn Kerr at Box 545, Kyle SK SOL 1T0 or by etransfer to <a href="masketls228@gmail.com">gaswetls228@gmail.com</a>. Please call me for the question and answer to facilitate the etransfer (306-375-7858) or make up one of your own. If more money is collected than is needed to cover the legal costs, the extra funds will be donated as a lump sum to STARS. Once the lawyer's bill is received and paid, a copy of the bill will be sent to each contributor with an email stating the name and amount of the contribution.

For your representation, the following information is required:

The name(s) of the surface rights holders (individuals and/or companies) you are representing and the number of leases with Abbey Resources under each entity.

A reduced rate amendment was offered in April, 2018, and a reduced lease size amendment has been offered to some lease holders. Have you <u>signed</u> any amendments for reduced payments?

If so, have you received the annual rent as per the amended lease agreement?

If you haven't signed an amendment, have you received the agreed-to lease payments since April, 2018, and if you had lease rent due after Aug 13, 2021, have you received payment (reduced or full amount)?

What amount is owing to you as of Aug 13, 2021? We will be comparing this amount to the amount reported in the Creditor Listing that was submitted to the Court. (<a href="https://mnpdebt.ca/en/corporate/corporate-engagements/abbey-resources-corporation">https://mnpdebt.ca/en/corporate/corporate-engagements/abbey-resources-corporation</a> in the Creditor Listing document)

What concerns do you have regarding any leases you have with Abbey Resources – i.e. years of unpaid leases, dissatisfaction with the proposal for unsigned lessors, lack of weed control, safety and environmental concerns surrounding leaking pipelines, etc.?

Please note that we are attempting to contact as many of the surface rights holders as possible and ask that you pass on our email address (<a href="mailto:gaswells228@gmail.com">gaswells228@gmail.com</a>) or names and phone numbers to any lease holders who have not been contacted.

Thank you in advance for your quick response. If you have questions that haven't been answered in this email, please contact one of us:

Kelly Bradford: (306) 741-8444 Brock Minogue: (306) 375-7661 Lindsay Nobbs: (306) 587-7484 Garry Wagner: (306) 587-7175 Grant Wallace: (306) 529-5330

Sincerely, Lynn Kerr 306-375-7858